

Asset Allocation Policy Options Analyzed¹

	Fed Current (%)	Staff (%)	Proposed Change (%)	Proposed Target Range (%)
Growth	56	58	+2	50 - 70
U.S. Equity	17	13	-4	
Developed Market Equity (non-U.S.)	7	7	--	
Emerging Market Equity	4	10	+6	
High Yield Bonds	2	--	-2	
Bank Loans	2	--	-2	
Emerging Market Bonds	4	3	-1	
Total Private Assets ²	20	25	+5	
Zero Beta	11	32	+21	10 - 35
Hedge Funds	11	7	-4	
Short-term Investment Grade Bonds	--	25	+25	
Other	33	10	-23	5 - 15
Core Real Estate	4	5	+1	
Commodities	4	3	-1	
Investment Grade Bonds	17	--	-17	
Long-term Government Bonds	4	--	-4	
TIPS	4	2	-2	
<i>Expected Return</i>	<i>6.89</i>	<i>7.30</i>	<i>+0.41</i>	
<i>Standard Deviation</i>	<i>10.75</i>	<i>12.29</i>	<i>+1.54</i>	
<i>Sharpe Ratio</i>	<i>0.37</i>	<i>0.36</i>	<i>-0.01</i>	
<i>Probability of Achieving 6.875% over 20 Years</i>	<i>49.84</i>	<i>55.74</i>	<i>+5.90</i>	

¹ Expected return and standard deviation are based upon Meketa Investment Group's 2018 Annual Asset Study. Throughout this document, returns for periods longer than one year are annualized.

² Total Private Assets includes Private Equity, Private Debt, Value Added Real Estate, Opportunistic Real Estate, Natural Resources and Infrastructure.